



North Carolina Department of Health and Human Services
Division of Mental Health, Developmental Disabilities and Substance Abuse Services
3001 Mail Service Center • Raleigh, North Carolina 27699-3001
Tel 919-733-7011 • Fax 919-733-1221 • Courier 56-20-24

Michael F. Easley, Governor
Carmen Hooker Odom, Secretary

Richard J. Visingardi, Ph.D., Director

2002 -2003 PERFORMANCE AGREEMENT
DIVISION OF MENTAL HEALTH, DEVELOPMENTAL DISABILITIES
AND SUBSTANCE ABUSE SERVICES
AND
(generic agreement)

This Agreement is hereby entered into by and between the North Carolina Division of Mental Health, Developmental Disabilities and Substance Abuse Services, hereinafter referred to as the "Division," and _____, hereinafter referred to as the "Area Program," in order to delineate the responsibilities of both parties.

I. Nature and Term of Agreement

This document shall serve as the formal Memorandum of Agreement between the Division and the Area Program for the purpose of providing of services to mentally ill, developmentally disabled, and substance abuse clients by the Area Program during State Fiscal Year 2002-2003 in accordance with G.S. 122C – 143.2. The Agreement will be retroactive to July 1, 2002, (except as noted in the "Fiscal Management 3, Prompt Pay Provision" [Attachment 16]), and will remain in effect through June 30, 2003. This agreement will also serve as a performance contract between the Division and the Area Program. As such, the Agreement provides not only responsibilities of the parties, but also specific performance requirements, monitoring procedures, provisions for corrective actions, and sanctions regarding those requirements. The Area Program must sign and return the Fiscal Year 2002-2003 Agreement on or before November 1, 2002. If the Agreement is not signed and returned by that date, the Division may withhold advance payments normally made to the Area Program during the year until the signed Agreement is received.

If the Division Fiscal Year 2003-2004 Memorandum of Agreement (MOA) or Performance Agreement (PA) is not signed by July 1, 2003, this agreement shall remain in force until the Division MOU or PA is signed, except as provided for in Section VIII, Termination.

II. Division Responsibilities

The Division agrees to:

- A.** Allocate to the Area Program available funds from state, federal, or other sources for provision of services and review and approve, when satisfactory, the Area Program's SFY 2002-2003 Annual Service Plan, incorporating it into the UCR system. Such allocations will be provided through continuation, final, and additional allocation letters, which are to be considered amendments to this Agreement.
- B.** Provide funds for activities or services which may be outside the unit cost reimbursement systems, in accordance with agreements made in the allocation of such purchases.

- C.** Purchase services from the Area Program for services for eligible clients according to the rules, rates, and procedures provided in the Pioneer system manuals (including the Thomas S. system manual) and the Comprehensive Treatment Services (CTS) Program (former At-Risk Children/Willie M.) Budget and Unit Cost Reimbursement manual, up to limits available in applicable allocations and budgets.
- D.** Review and negotiate, if requested by the Area Program, revisions to the annual fund reserve assignment, as related to Pioneer operating requirements.
- E.** Respond in writing to Area Programs and their respective county managers within 30 days after receipt of the quarterly Fiscal Monitoring Report. The response will indicate that the report identified no areas of concern or specify the items which require explanation and/or follow-up. Fiscal information to be contained in the Area Program “Progress Report” will be sent out simultaneously with the Division’s routine progress reports.
- F.** Deliver data from reports in a timely fashion.
- G.** Pay the Area Program in accordance with established procedures in the (i) Comprehensive Treatment Services Program (former At-Risk Children) UCR and (ii) UCR - MR/MI (Thomas S.), and regular UCR reporting.
- H.** Send allocation letters to the Area Authorities within forty-five days of when the State Budget is certified.
- I.** Provide to the Area Program necessary and reasonable rules, policy guidance, and technical assistance applicable to all program components included within the scope of operations of this agreement. Provide to the Area Program clear, written information about Pioneer, Comprehensive Treatment Services Program (former At-Risk Children), MR/MI, all other Division funding and Medicaid, as the designated intermediary on Medicaid, and specifically the following clear, written information on the above funding sources: service definitions, rates, billing rules (including which services can be billed concurrently), client-specific or special allocations, documentation requirements, audit rules, settlement rules, and procedures.
- J.** As the lead agency in following the court agreement on serving MR/MI consumers and children who are eligible for the Comprehensive Treatment Services Program funding (former At-Risk Children Program), the Division will work closely with Area Programs on identifying and resolving issues regarding the transition from court-ordered care to special populations.
- K.** Amend the agreement and compensate the Area Program as appropriate, within available funding, to incorporate new or additional program or reporting requirements except where such requirements are imposed by federal or state law, regulation or grant, contract or cooperative agreement.
- L.** The Division Director may, with the advice of the Department of Health and Human Services (DHHS) Controller, approve special settlement procedures and special payments to the Area Program. Special settlements and payments may be made only when the Area Program has complied with published Division requirements and accurate earnings and settlement information are not available due to Division errors. Such errors may involve allocation, cost-finding, rate-setting, payments, explanations of special conditions attaching to allocations, reporting back on earnings information, unanticipated but necessary changes to fiscal procedures, or other similar matters.
- M.** The Division will coordinate requests for information and reports from Area Authorities to the maximum extent possible.
- N.** The Division is responsible for assuring that the State hospitals, ADATCs, and MR Centers will fulfill their obligations related to all appropriate requirements in this Agreement.
- O.** The Division will notify Area Programs prior to the implementation of any Division initiative that will change the flow of funding and have a significant impact on Area Program service delivery and performance expectations.

III. General Area Program Responsibilities

The Area Program agrees to:

- A.** Provide services as specified in this agreement for clients according to applicable rules, rates and procedures.
- B.** Provide services to individuals receiving funding through UCR- MR/MI and to Eligible Comprehensive Treatment Services Program (former At-Risk Children) in accordance with individually determined needs and within available funds, in consultation with State program staff and in accordance with Division rules, program policies and the Area Program's approved Comprehensive Treatment Services Program (former At-Risk Children) - UCR and UCR - MR/MI budgets.
- C.** Unless specific written exception has been granted by the Division, comply with service provision, documentation, and reporting requirements, with fiscal and accounting requirements, and with other requirements of applicable federal and state funds awarded to the Area Program, including, but not limited to, the following regulations and manuals:
 - 1. All applicable State and Federal Laws, Rules, and Regulations;
 - 2. All applicable Federal requirements contained in the Division prepared "Summary of Significant Federal Funding Requirements;"
 - 3. APSM 45-2: Service Record Manual. Changes to the SRM will be incorporated as amendments to this document.
 - 4. APSM 70-1: Statistical Reporting Manual;
 - 5. Pioneer Operating Manuals, Volumes I through VIII;
 - 6. Cost-Finding Manual;
 - 7. APSM 30-1 (Revised 01/01/01): Rules for Mental Health, Developmental Disabilities and Substance Abuse Facilities and Services;
 - 8. CAP-MR/DD Manual;
 - 9. APSM 75-1: Area Program Budgeting and Procedures Manual;
 - 10. Fiscal Monitoring Reports;
 - 11. Comprehensive Treatment Services Program (former At Risk Children/Willie M.) Budget and Unit Cost Reimbursement Manual and Willie M. Information System Manual;
 - 12. DMH/DD/SAS Medicaid Manual 07/01/89; and
 - 13. Medicaid Service Guidelines, July 1999.

NOTE: Specific items to be monitored under section III-C for Fiscal Year 2002-2003 are contained in Attachment 1 of this agreement.

- D.** The Area Program will provide evidence by initialing, or by separate letter, that the Performance Agreement has been reviewed with the respective county manager(s).

IV. Area Program Performance Requirements

It is agreed by the Parties that, in addition to the General Responsibilities outlined in the previous Sections of this Agreement, that the Area Program shall be accountable to the Division for performance with respect to a series of requirements described in this Section of the Agreement. Specific indicators of performance to be used for FY 2002-2003 follow:

A. Fiscal Management

- 1. Maintain responsible accounting, reimbursement and financial management practices so as to provide continuous unrestricted fund balance of at least one month's operational costs and to assure consistent availability of services to clients within overall funding levels. For single counties that do not provide fund

balances, county managers should provide sufficient financial backing for the program to assure consistent availability of services to clients within overall funding levels (See Attachments 3 and 3a). Fiscal Management 3 has been added to outline the acceptable standards for payments to providers (See Attachment 16). Fiscal Management 4 requires the Area Program to, annually, submit evidence of a signed Trading Partner Agreement (TPA), (formerly Electronic Submissions Agreement), with the IPRS Fiscal Agent.

2. Submit all reports required by law, regulations, or the DHHS by assigned due dates in acceptable quality and comply with all the performance indicators that are tracked in the reports. Such reports include the following:
 - Quarterly Fiscal Monitoring Reports (See Attachments 3 and 3a);
 - Cost-finding report;
 - Revenue Adjustment Reports;
 - Documentation of paybacks for non-compliance items identified during the Annual Medicaid Services Audit (See Attachment 4A);
 - SFY 2002-2003 Semi-Annual Substance Abuse Prevention and Treatment Block Grant Compliance Report (See Attachment 4A);
 - Substance Abuse/Juvenile Justice Initiative Quarterly Report (See Attachment 5);
 - TANF Work First Initiative quarterly reports [pursuant to G.S. 108A-29.1 and G.S. 108A-25.2] (For Reporting Form see Attachment 6); and
 - Volume of Service submissions for:
 1. Regular UCR;
 2. Comprehensive Treatment Services Program (former At-Risk Children) - UCR;
 3. Volume of Service submissions for UCR - MR/MI (Formerly TS); and
 - Area Program Invoice Data Sheet (See Attachment 4-C),
 - Trading Partner Agreement (TPA), (former Electronic Claims Submission Agreement).

B. Accountability

1. Implement reasonable, or agreed upon, corrective actions and management improvements, as required by the Secretary, the Division, or as committed to by the Area Program from audits, program reviews, or quality improvement processes. Such reviews shall include, but not be limited to, Medicaid documentation audits, local single audits, Federal program audits, State program reviews, and accreditation visits and reports.
2. Achieve and maintain accreditation by the Council on Accreditation (COA).
3. Submit timely and complete client data reports for all clients as specified in each of following categories:
 - Client Data Warehouse submissions;
 - Client Outcome Initiative (COI);
 - MR/MI Person Centered Plans; and
 - North Carolina Treatment Outcomes and Program Performance System (NC TOPPS) Assessments (See Attachment 7).
 - Participate in the Developmental Disabilities' Core Indicators Project ***[Note: DD clients are to participate in the DD Core Indicators Project and not in the Division Consumer Satisfaction Survey];***
 - Local Community Collaboratives will submit Comprehensive Treatment Services Program (former At Risk Child) Waiting List data. ***[NOTE: Waiting List Form was mailed to Area Directors on 03/12/01].***

- Maintain a current, accurate, computerized database reflecting content specified by the Developmental Disabilities (DD) Section.
- Complete the NC SNAP.

C. Client Rights and Relations

1. Administer the Division Client Satisfaction Surveys to Mental Health and Substance Abuse clients, consistent with Division standards and submit data received according to Division guidelines;

D. Access to Services

1. Provide access to services for eligible children in Department of Social Services (DSS) Custody in an attempt to improve penetration rates from Fiscal Year 2002 to Fiscal Year 2003, subject to available funding.

E. Service Delivery

1. Offer an appointment to see individuals who choose the Area Program for follow-up care within five (5) working days after notification to the Area Program of discharge from state hospitals or ADATC's. If the client does not attend the appointment (i.e., no show), the Area Program will document that reasonable professional efforts were made to see or reschedule the client.
 - Adult Mental Health; and
 - Substance Abuse Services.

V. Monitoring/Determination of Contract Performance

The following methods will be employed to monitor and/or validate performance of the Area Program under this agreement (see Attachment 1).

- A. The Division will analyze data already available to it through routine reporting or secondary data sources (e.g., calculation of ratio of outcome instruments actually received to number due by a given date);
- B. Self reporting by the Area Program (e.g., provision of signed interagency agreement or report on corrective action completed);
- C. The Division will accept and follow-up (through call, writing, or site visit, as necessary) on complaints and incidents;
- D. The Division may conduct site visits, record reviews, client and/or staff interviews to validate fulfillment of specific requirements;
- E. Document reviews – to establish timeliness and completeness of required reports.
- F. The Division will analyze Fiscal Monitoring Reports according to financial stability measures (See Attachment 3: Financial Stability Checklist, and Attachment 3a: Example Fiscal Monitoring Report); and
- G. The Division will examine the Council on Accreditation's review findings.
- H. The Division will manage, report, and follow-up on monitoring of the Area Program's performance.
- I. The Division will provide to the Area Program quarterly reports summarizing current information on its monitoring of performance of this Agreement to date within sixty (60) days from the conclusion of the subject quarter. These reports will provide results of the Area Program's specific performance and progress as well as statewide data and cross-Area Program comparisons.

VI. Corrective Actions/Sanctions for Non-Performance

The Division will publish results of monitoring in periodic reports with Area-specific performance data, comparisons to statewide data, and cross-Area comparisons within sixty (60)

days from the conclusion of the subject quarter. If monitoring reveals substantial non-performance, a graduated approach to corrective actions will be taken. The initial emphasis will be to improve performance through development of corrective action plans. The Area Program may be required to develop corrective action plans with specific date for completion and reporting thereon. If a corrective action plan is required, reasonable time for the corrective action will be allowed and the completion status will be tracked and reported.

- A. Refer nonperformance item(s) to the Council on Accreditation;
- B. Notifying the appropriate local county manager, state or Medicaid auditors of the non-performance item;
- C. Assess a financial penalty as authorized by State or Federal regulation;
- D. Remove program segment from contract and award of contract for services to another entity in current year as authorized by State or Federal law or regulation;
- E. Assumption of control of the financial affairs of the Area Program as authorized by State Statute;
- F. Consider the overall performance of the Area Program in the development of future years' operations. If performance is inadequate, the Division can recommend that services be sought from other entities.

The Division will provide informal opportunities for discussion between the Area Program and the Division prior to the administrative process of appeal of findings, corrective actions or other sanctions, and before corrective actions or other sanctions are applied, in accordance with applicable statutes and administrative rules.

As related to this agreement and its quarterly reports, if the officials of an Area Program believe that information contained in a quarterly report about that Area Program is erroneous, the Area Program Director should make a written appeal to the Division Director within fifteen (15) working days of receipt of the report by the Area Program. The appeal should include reference to the specific requirement(s) that is/are in question, a clear and concise refutation, and any supporting documentation that can assist in the contest.

The Division Director will appoint staff to review the submitted material and make recommendations as to the appropriate decision: Concurrence with; or denial of, the appeal. In either case, the Area Director will be notified of the outcome of the appeal, in writing by the Division Director. In cases where the Division concurs with the Area Program, the Division will send letters to that Area Program's Director, its Area Board Chair, and its respective County Manager(s), informing them of the error. An errata sheet, and/or corrected table, will be included in the appendices of the following quarterly report of the Performance Agreement, highlighting the correction for other Area Programs, Area Board Chairs, and County Managers. In instances where the Division denies the appeal, the Area Program will be provided with the specific reasons leading to that decision.

Appeals should be mailed to the following address:

Richard J. Visingardi, Ph.D., Director
North Carolina DMH/DD/SAS
Mail Service Center 3001
Raleigh, NC 27699-3001

VII. Amendments

This Agreement may be amended:

- A. Upon the receipt of an Allocation Letter, including Special Conditions, from the Division, or other written actions signed by an authorized Division representative; or
- B. By mutual written consent of both parties.

VIII. Termination

This Agreement may be terminated, in whole or in part, by mutual written consent of both parties or by either party, for cause upon 90 days written notice to the other party. In the event

of termination in part, the parties shall continue such activities and responsibilities not terminated. In the event of termination prior to the expiration date of this Agreement, the Division shall pay the Area Program for services provided to the date of termination.

IX. Attachments to the 2002-2003 Performance Agreement

1. Items Monitored Under Section III-C for the 2002-2003 Performance Agreement;
2. Performance Indicators for the 2002-2003 Performance Agreement ;
3. Financial Stability Checklist;
- 3a. Example Fiscal Monitoring Report;
- 4a. SYF 2002-2003 Semi-Annual Substance Abuse Prevention and Treatment Block Grant Compliance Report;
- 4b. TANF WF/SA Initiative for Area Program Compliance
- 4c. Area Program Invoice Data Sheet
- 4d. Deleted.
- 4e. Deleted.
5. Substance Abuse/Juvenile Justice Initiative Quarterly Report of Area Program Compliance
6. WF/SA Initiative Reporting Form
7. NC Treatment Outcomes & Program Performance System (NC-TOPPS) for Area Program Compliance
8. Deleted.
9. DD Protocol for Operations Branch Monitoring of Area Program CAP-MR/DD Slot Management
10. CAP/MRDD and MR/MI Competency Review Protocol for Program Accountability Monitoring
11. Deleted.
12. ACR&QI Client Rights Committee, 2002-2003 Annual Requirement
13. Summary of Significant Federal Funding Requirements
14. Summary of Due Dates, Division Contact Persons, Mailing Addresses, Phone Numbers, and E-mail Addresses for Performance Agreement Indicators
15. Summary of Due Dates, Division Contact Persons, Mailing Addresses, Phone Numbers, and E-mail Addresses for Items Monitored Under Section III-C
16. Prompt Pay Provision

Signatures:

**North Carolina Department of
Health and Human Services-Division
of Mental Health, Developmental
Disabilities, and Substance Abuse
Services:**

Date:

Date:

Richard J. Visingardi, Ph.D.
Director

Area Board Chair

Area Director